Report of the Directors to the Shareholders of

CANADA MALTING CO., Limited

For the Fiscal Year Ending July 31, 1933

The Directors of CANADA MALTING CO., LIMITED, beg to present herewith Balance Sheet as at July 31, 1933, and Statement of Profit and Loss for the year ending on that date, as certified to by the Auditors of the Company, Messrs. Price, Waterhouse & Co.

The net profit for the 12 months was $398,112.56, after setting aside $150,000.00 provision for depreciation of buildings and plant, and $57,469.61 as reserve for Income Tax.

Business during the period under review has been maintained at a satisfactory volume. It should be pointed out to the shareholders, however, that of the total sales, 42% was on account of export trade. The permanency of this export business, due to possible tariff changes and adverse legislation by foreign countries, is of a very doubtful character. The increase in profits over the previous year is entirely due to the larger volume of export trade mentioned above and to a better margin of profit in connection therewith.

We are pleased to be able to report that for the first 3 months of the current fiscal year, the export demand for our products has been maintained.

It is with deep regret that the Directors report the death of the President, Mr. Wilmot L. Matthews, and the Secretary-Treasurer, Mr. James L. Love, during the past year. They had both been connected with the Company since its inception and their loss will be keenly felt.

The plants of the Company have been maintained in first-class condition during the year under review.

The Directors wish to express their appreciation of the efforts of the staff.

All of which is respectfully submitted on behalf of the Board.

A. C. MATTHEWS,
President.

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Balance Sheet,

ASSETS

CURRENT ASSETS:			
Cash on hand and in banks		$ 95,788.01	
Guaranteed call loans and loans secured by collateral		445,000.00	
Accounts receivable, less reserve		456,722.62	
Inventories:			
Malt, barley, etc.	$ 987,303.97		
Coal, bags, etc.	17,788.40	1,005,092.37	
			$2,002,603.00
GRAIN EXCHANGE SEATS AND MEMBERSHIP IN CLEARING HOUSE			17,200.00
DEFERRED CHARGES:			
Prepaid taxes, etc.		$ 17,063.68	
Machinery repairs and office supplies		20,000.00	
			37,063.68
FIXED ASSETS:			
Land		$ 207,384.00	
Buildings		2,397,341.82	
Plant and equipment		1,809,372.55	
		$4,414,098.37	
Less—Reserve for depreciation		751,738.66	
			3,662,359.71
			$5,719,226.39

Approved on behalf of the Board.

A. C. MATTHEWS, Director.
H. C. HATCH, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of Canada Malting with all the information and explanations which we have required; and up so as to exhibit a true and correct view of the state of the company's ending on that date, according to the best of our information and the

TORONTO, October 27, 1933.

NG CO., LIMITED

July 31, 1933

LIABILITIES

CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		$ 84,482.86	
Reserve for income tax		57,000.00	
			$ 141,482.86
CAPITAL AND SURPLUS:			
Capital Stock—			
Represented by 198,972 shares without nominal or par value (authorized—200,000 shares)		$5,239,636.01	
Profit and Loss—			
Balance, August 1, 1932	$ 317,270.54		
Less—Additional provision for depreciation of buildings and plant in respect of previous year	78,759.79		
	$ 238,510.75		
Net profit for the year ending July 31, 1933	398,112.56		
	$ 636,623.31		
Deduct—Dividends paid during year	298,515.79		
		338,107.52	
			5,577,743.53
			$5,719,226.39

Co. Limited for the year ending July 31, 1933, and have been furnished
we report that, in our opinion, the above balance sheet is properly drawn
affairs as at July 31, 1933, and the results from operations for the year
explanations given to us and as shown by the books of the company.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

CANADA MALTING CO., Limited

Statement of Profit and Loss
For the Year Ended July 31, 1933

PARTICULARS	AMOUNT
Profit from operations, after charging all manufacturing, administrative, selling and general expenses, but before providing for depreciation and Dominion income tax	$605,582.17
Deduct—Provision for depreciation of buildings, plant and equipment	150,000.00
	$455,582.17
Deduct—Provision for Dominion income tax	57,469.61
NET PROFIT *for the year ended July 31, 1933*	$398,112.56